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SUBJECT: FINANCE MINISTER SUFFERS HEART ATTACK

REF: 08 BERN 472

¶1. (U) Finance Minister Hans-Rudolf Merz suffered a heart attack on Saturday, September 20 and subsequently was placed into an artificial coma and underwent quintuple bypass surgery. His condition is listed as critical but stable. The doctors confirmed that his heart now seems to be circulating properly, but they will not know if he suffered any brain damage until he is conscious. They also could not comment on when or if he will be able to return to work.

¶2. (U) In the interim, the Department of Finance will be headed by Minister of Justice and Police Eveline Widmer-Schlumpf. Although no longer in the financial arena, Widmer-Schlumpf previously was the head of her cantonal Department of Finance from 1999 through 2007.

¶3. (U) It is not expected that Merz's condition will affect the Swiss financial sector despite news commentary that his absence could be detrimental given the current state of world financial markets. The Swiss financial market opened with little movement and did not indicate any reaction to the news of Merz's heart attack. The Swiss financial system has remained stable and the professional community believes that the banks are insulated from the current global financial turmoil (Ref A). At a recent Swiss Bankers Association congress, the assembled financial community opined that Switzerland is the best financially situated country in Europe and they were confident that the financial sector could ride out the world crisis. The Swiss economy continues to grow at a rate of about 2 percent and exports have not only held up, but expanded, in the first 8 months of the year.

¶4. (SBU) On the political front, Merz was on tap to be Switzerland's President next year per the Swiss tradition of their Parliament voting for the Federal Council's most senior member. If Merz is not able to return, Defense Minister Samuel Schmid would become the presumptive candidate for the Presidency. Merz's illness likely will add fuel to the ongoing public discussions about the possible turnover in Council membership, which has been spurred on during the summer by Schmid's political troubles, including calls by some Swiss politicians for his resignation.
CARTER